Pellegrino, Rachel

From: Morris, Craig
Sent: Tuesday, January 04, 2011 5:28 PM
To: Brown, Brian (TM)
Subject: FW: Small Business Study

Categories: DONE

From: Norton Townsley (b)(6)
Sent: Friday, November 19, 2010 5:45 PM
To: TMFeedback
Cc: David Belasco
Subject: Small Business Study

1. Please identify whether you are a trademark owner or practitioner, and the general size and nature of your business or trademark practice, including the number of trademark applications and registrations your business has, or your practice handles. Please note that the USPTO will fully consider any comments you submit, even if you choose not to identify yourself in a particular manner.

I am a patent and trademark practitioner in a small firm. I have filed and prosecuted over 100 trademark applications in my career including several oppositions.

5. Please describe situations where you have been involved in opposition/cancellation proceedings instituted at the USPTO against small business owners. Anecdotal information might include, but is not limited to, a description of whether the proceedings settled on the basis of the small business agreeing to abandon its application(s) for one or more marks, or whether the proceedings settled on the basis of the plaintiff withdrawing or abandoning its notice of opposition or cancellation petition. Alternatively, relevant information might include a description of whether such proceedings resulted in a decision by the USPTO Trademark Trial and Appeal Board ("TTAB") refusing to register/canceling one or more marks owned by the small business, or whether such proceedings resulted in the TTAB imposing sanctions against the plaintiff under Rule 11 of the Federal Rules of Civil Procedure.

A. JetBlue Airways forced my client David Fleming to withdraw his trademark application. Mr. Fleming is an individual who runs a web site, www.mrjetsetter.com, mostly for posting his own travel videos. I'm not sure it makes any money.

JetBlue, a large corporation, filed an opposition (No. 91190549) against my client claiming confusing similarity. Frankly, I cannot see the similarity and my client and JetBlue are in very different businesses. Moreover, my client was very likely to include a link to the JetBlue site on his web site, which would have been good publicity for JetBlue.

But my client could not afford to litigate an entire opposition proceeding. Thus JetBlue was able to remove a registration containing the word "Jet". They had no objection to my client continuing to run his web site. I did not and still do not think this is just. If you look at the record, JetBlue has filed a number of oppositions in the last five years.

B. Stephen G. Armstrong, a Canadian, obtained a registered trademark by filing a Cancellation. He filed a cancellation against Tish McCauley (dba Letitia McCauley). See Cancellation No. 92051080. The cancellation record shows he eventually withdrew the Cancellation. But Ms. McCauley assigned the registration to Mr. Armstrong. Clearly this was a result of a settlement agreement.

One can see from her original and current websites that Ms. McCauley is a small company. This is another example of someone using the trademark system to bully a small business into giving up rights thus unjustifiably expanding the scope of the plaintiff's rights.

6. Do you think trademark "bullies"are currently a problem for trademark owners, and if so, how significant is the problem?

I think it trademark bullying is a significant problem. For $300 plus a few hours of attorney fees a large company with huge resources can file a cancellation or opposition. The small defendant cannot afford the $50,000 to $100,000 that it may cost to completely litigate such matters. Thus they have to capitulate. This is a form of legal extortion.

8. Do you think the USPTO has a responsibility to do something to discourage or prevent trademark bullying? If yes, what should the USPTO do?

The Trademark Office has a responsibility to do something. You could increase the filing fee for oppositions and cancellations substantially (e.g. $5000) but have a reduced fee (e.g. $2000) for small entities. Another possibility would be to go to a system where the losing plaintiff pays the defendant's costs.

11. Do you think Congress has a responsibility to do something to discourage or prevent trademark bullying? If yes, what should Congress do?

At the least, congress can pass enabling legislation

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